Canada-Saskatchewan

Agreement on the Twinning of Highways 1 & 16 Project

Canada Strategic Infrastructure Fund Agreement

2004-05 Annual Report

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1. Introduction

Canada and Saskatchewan signed the "Canada-Saskatchewan Agreement on the Twinning of Highway 1 & 16 Project" (Canada-Saskatchewan CSIF Agreement) part of the Canadian Strategic Infrastructure Fund (CSIF) on April 20, 2004. As required in Schedule C.3 of the Canada-Saskatchewan CSIF Agreement, as it will henceforward be referred to, this is the first annual report submitted to the Canada-Saskatchewan CSIF Agreement Management Committee by Saskatchewan and covers the activities from the date of announcement March 5, 2003 to March 31, 2005. The Canada-Saskatchewan CSIF Agreement will expire at the end of the 2007-08 fiscal year.

The development and maintenance of basic transportation infrastructure is a crucial component of a competitive economy. Canada must have the capacity to move people and goods safely and efficiently, and has committed to continue improving its physical transportation infrastructure for the 21st century.

Saskatchewan's economy is dependent on the export of goods and services. Modern transportation infrastructure and logistics services are essential to support this essential trade.[1] Saskatchewan's current transportation system supports a wide range of economic activities including agriculture and food processing, manufacturing, mining, tourism, and many service industries.

Saskatchewan's economic strategy contains a commitment to invest in key transportation infrastructure to facilitate economic growth.[2] Saskatchewan is committed to ensuring that this investment in infrastructure promotes safety and improves highway links between major centres and the world marketplace. The twinning of Highway 1 and Highway 16 directly supports this economic strategy.

Meeting Saskatchewan's current and future economic and trade development needs requires continued preservation and enhancement of the transportation infrastructure. Saskatchewan faces some tremendous challenges to maintaining its economic competitiveness in the global marketplace. Modern logistics, such as "just-in-time" deliveries, play a key role as Saskatchewan strives to meet these challenges. There has also been a shift between the relative importance of the two prevailing modes of freight transportation in Saskatchewan: rail and truck. Rail is declining in importance due in part to a decrease in availability, and increases in freight rates. Freight transportation by truck is increasing rapidly, making up for the decline in rail. This transfer from rail to road is also directly related to changes in the economy, and the shift to more high-value and processed goods, which require timely and accessible truck service. Jurisdictions that fail to provide an efficient transportation infrastructure hamper the competitiveness of many businesses in their region.[3]

The Canada-Saskatchewan CSIF Agreement provides a strategic framework for highway investments toward the goal of sustaining Canada's highway system. The CSIF Agreement provides the mechanism for both parties to improve the interprovincial movement of people and goods, and to improve the safety and efficiency of major transportation corridors by completing the twinning of Highway 1 and Highway 16 west.[4]

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[1] *Transportation Trade Corridors* – Saskatchewan Highways and Transportation, January 2002
[2] *Partnership for Prosperity* – Saskatchewan Economic and Co-operative Development, 2001
[3] *Macroeconomic Performance and Public Highway Infrastructure*, Transport Canada, 1996
[4] Section 2 of the Canada-Saskatchewan CSIF Agreement, April 2004

2. General Overview of Results

The Canada-Saskatchewan CSIF Agreement is comprised of two major construction projects: twinning of Highway 1 from east of Wolseley to the Manitoba border and twinning Highway 16 between Lloydminster and North Battleford.

Highway 1 (Trans-Canada Highway) and Highway 16 (Yellowhead Highway) are part of the National Highway System in Saskatchewan. These highways are commuter roads around the cities of Saskatoon, Regina, Moose Jaw, Lloydminster, North Battleford and Swift Current; and are the major inter-provincial trade corridors in Saskatchewan. Numerous communities and attractions are situated along these routes.

Saskatchewan's CSIF projects are twinning projects. Twinning not only increases traffic capacity, but also enhances safety by reducing head-on and sideswipe collisions. A recent study comparing collision statistics on a section of Highway 16 before and after twinning showed a 55 percent reduction in accidents.[5] The analysis also showed that fatal collisions were reduced by 86 percent.

The decision to twin a highway is not based on reducing collision rates alone, but on the overall enhancement of mobility and transportation efficiencies, facilitation of trade and economic development, and system sustainability. All of these measures will improve significantly with the completion of Saskatchewan's CSIF projects.

Economic research has established that investments in highways can generate significant productivity growth. Some studies suggest that a one percent increase in highway capital stock could generate up to a 0.6 percent increase in private sector productivity, and that highway investments can provide annual returns of 10 to 40 percent.[6] Productivity gains are achieved through supply chain enhancements, which can only be achieved through the provision of road infrastructure of adequate capacity and quality to ensure efficient, reliable, and expedited trucking services.

The twinning of Highway 1 and Highway 16 will have a significant impact on provincial and regional trade. Saskatchewan is a trade-dependent province, with 59% of provincial production destined for outside Saskatchewan.[7] The twinning of the Trans-Canada Highway and the Yellowhead Highway through Saskatchewan will improve Saskatchewan's capacity to serve the external markets that are crucial to its economic success.

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[5] Saskatchewan Highways' collision analysis of Highway 16 between North Battleford and Saskatoon identified a 55 percent decrease in the five-year collision rate after twinning.

[6] *An Overview of Transportation Infrastructure and Services in the Northern Great Plains*, Northeast Midwest Institute

[7] *A Study of Saskatchewan Trade and Transportation Corridors*, Saskatchewan Highways and Transportation, January 2002

3. Official Management Committee Meetings

Prior to the first Management Committee meeting on July 9, 2004, nomination letters for committee representatives were exchanged between Saskatchewan and Canada. Ralph Jones, Director of Surface Programs and Chief Engineer for Transport Canada, was appointed as the federal co-chair for the committee. Fred Antunes, Director of Corporate Support for Saskatchewan Highways and Transportation, was appointed as provincial co-chair. Kris Nanda, of Infrastructure Canada, was appointed as an additional federal member and David Stearns of Saskatchewan Highways and Transportation was appointed as an additional provincial member.

The Management Committee for the Canada-Saskatchewan CSIF agreement conducted two meetings. The initial meeting occurred on July 9, 2004 by teleconference and was attended by Mr. Antunes, Mr. Nanda, Mr. Stearns and Mr. James Lothrop acting as the federal co-chair in Mr. Jones' absence.

The second Management Committee meeting took place on October 27, 2004 by teleconference. Mr. Stearns attended in the role of acing provincial co-chair. Andrea Fisher attended in the role of acting provincial member. Mr. Lothrop attended as acting federal co-chair. Maxine Bilodeau attended as acting federal member.

Discussion of administrative details and project updates took place at these meetings. The minutes of the Management Committee meetings are attached in Appendix A.

4. Schedule B Revisions

Schedule B of the Canada-Saskatchewan CSIF Agreement outlines the projects that are to be undertaken through the agreement. Project proposals are submitted to the Management Committee for consideration. Projects to be undertaken are added to the Schedule B by the federal co-chair. The original Schedule B (Revision 0) was approved by Premier Calvert, Minister Sonntag, Minister Valeri and Minister Scott signing the agreement. There has been one subsequent revision to Schedule B approved by the Management Committee. Table 1 provides a brief summary. Schedule B, Revision 1 is attached in Appendix B.

Table 1 Canada-Saskatchewan CSIF Agreement Schedule B Revisions

Revision	Revision Date	Reason for Change	Approved
0	April 20, 2004	Original	Approved by Ministers as part of the agreement
1	July 28, 2004	Cost adjustments for projects 1.1-1.4 and 2.1-2.3	Approved by Management Committee

5. Project Updates and Expected Results

Project 1 – Highway 1 East: Twinning From Wolseley to the Manitoba Border

Project 1 consists of the construction of a second set of lanes for the Trans-Canada Highway (Highway 1) from east of Wolseley to the Manitoba border. This will involve construction of approximately 135 km of new highway, various intersection and service improvements, and a new set of overhead bridges over the railway at Broadview.

Project 1 is currently comprised of four project components that are organized as follows:

- **Project 1.1:** General engineering, surveying, environmental screening, and design on Highway 1 east from approximately 3.0 km east of Wolseley to the Manitoba Border.
- **Project 1.2:** Grading approximately 24.0 km of eastbound lanes from 5.0 km west of Grenfell to 5.9 km west of Broadview.
- **Project 1.3:** Paving approximately 67.0 km from east of Wolseley to west of Whitewood.
- **Project 1.4:** Supply, fabrication, delivery and erection of structural steel and the construction of twin steel and concrete overhead bridges on Highway 1 over the Canadian Pacific Railway at Broadview.

Project Status

Construction of the new lanes (twinning) has been completed from east of Wolseley to approximately 6.0 km west of Broadview. The new lanes between Wolseley and Grenfell were opened to traffic on September 20, 2004. The new lanes from Grenfell to Broadview were opened to traffic on September 23, 2004. As of March 31, 2005 the following project elements are currently in progress:

- Construction is well underway on the bridge structures and abutments for the overhead bridges at Broadview.
- Grading from 3.3 km west of Whitewood to 0.9 km west of Broadview is nearly completed.
- The contract for surfacing from Broadview to 3.0 km west of Whitewood has been awarded.
- Surfacing and some grading from Broadview to 5.9 km west of the overhead bridges have been designed and were awarded on March 23, 2005.
- Grading 3.0 km west of Whitewood to 14.0 km west of Wapella has been designed and was tendered in spring 2005.
- Grading 14.0 km west of Wapella to 5.0 km east of Wapella has been designed and is to be tendered in spring, 2005.

Excavation for construction of bridge abutments at Broadview

Table 2 Contract Authorizations for Highway 1 East Twinning

Project Component	Contract Authorization	Start Date	Completion Date	Budget
1.1	SK1.1GenEng/Env	05-Mar-03	31-Dec-08	$2,124,800
1.2	0218811	05-Mar-03	15-Jun-04	$2,712,200
	0318811	05-Mar-03	01-Jul-04	$2,716,400
1.3	020812	05-Mar-03	16-Aug-04	$5,703,100
	0318812	05-Mar-03	30-Sep-04	$7,057,300
	0419222	05-Mar-03	31-Dec-08	$3,832,500
	0419212	05-Mar-03	31-Dec-08	$6,090,000
1.4	SK1.4Bridgewrk	05-Mar-03	31-Dec-08	$6,831,400

Environmental Issues

All required regulatory approvals have been acquired throughout the development of the Trans Canada East Twinning Project. Detailed descriptions of approval regimes and environmental issues are available in the annual Environmental Protection Plans that have been prepared by Golder Associates Ltd. and submitted by the department.

All borrow pits and aggregate pits used for the twinning project were located on environmentally non-sensitive land if possible.[8] On pits where heritage sensitivity was suspected, locations were forwarded to the Culture and Heritage Branch to determine if a Heritage Resource Impact Assessment was required. Mitigative measures were employed on pits located near environmentally sensitive areas.

The Department of Fisheries and Oceans (DFO) believes a harmful alteration, distruption or destruction (HADD) has occurred at the Ellisboro Pit (62L-234) located on Adair Creek. DFO has initiated charges under the federal *Fisheries Act* against Saskatchewan Highways and three of its employees. The trial has been delayed until 2005.

Culverts at Ekapo Creek

Saskatchewan Highways made all efforts to co-operate with DFO, but due to the litigation DFO will not discuss the issue at a working level. The compensation plan has been a co-operative effort between both federal and provincial parties. The original *Canadian Environmental Assessment Act* (CEAA) was approved for Highways

[8] *Environmental Protection Plan for the TransCanada East Twinning Project (2003 & 2004)*, pp. 9-10 and *Environmental Protection Plan for the TransCanada East Twinning Project (2004 & 2005)*, pp.7-8, Golder Associates Ltd.

1 & 16 on July 28, 2003 and environmental protection plans are prepared each year to address the needs of future projects.Other environmental issues that were encountered:

- Four populations of Geyer's Onion, an extremely rare plant species, were discovered. Some of the plants were transplanted outside the right of way to preserve the local population.[9]
- It is estimated that 65.7 hectares of wetland, 88.1 hectares of native grassland, and 2,027 m^2 of fish habitat (at Ekapo Creek) will be lost due to the twinning project. A compensation work-plan is in place to balance this habitat loss.[10]
- Ekapo Creek was designated as potential habitat for large bodied fish. The culvert design to accommodate this has been approved.[11] and installed in 2004.
- Approximately 113 ha of upland habitat and 66 ha of wetland habitat was lost due to the Trans-Canada East Twinning Project. Approximately 115 ha of upland habitat and 46 ha of wetland habitat have been purchased as part of the compensation agreement with Transport Canada. The department has transferred title to Saskatchewan Environment with Ducks Unlimited overseeing the management of the land. The department worked with the Saskatchewan Watershed Authority to enhance 129 ha of upland habitat and 4 ha of wetland habitat as part of the Pipestone Pasture Project. To meet the terms of habitat compensation the department is required to purchase an equivalent of 10 ha of wetland habitat.

Financial Summary

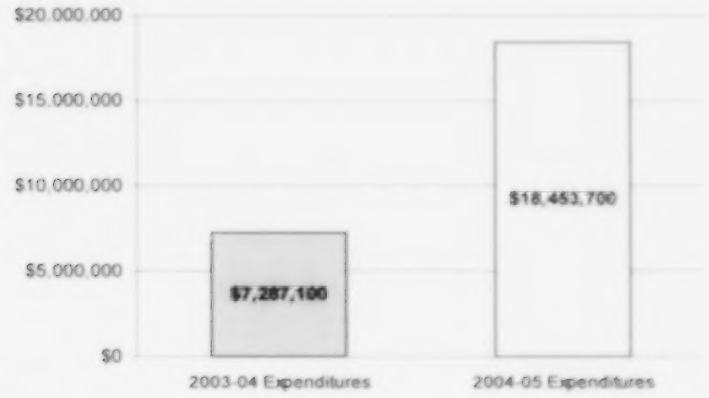
A financial summary for the Highway 1 East Twinning Project is outlined in Table 3. Figure 1 compares CSIF expenditures on Highway 1 east for 2004-05 to those for 2003-04. All expenditures are based on Schedule B, Revision 1 dated July 28, 2004 (Appendix B).

Table 3 Highway 1 East Twinning - Schedule B Summary

Project Component	Project Cost	Shareable Project Cost	Agreement Contributions		Expenditures		Total
			Federal	Provincial	2003-04	2004-05	
1.1	$5,331,400	$2,124,800	$1,062,400	$1,062,400	$811,500	$919,500	$1,731,000
1.2	$5,622,800	$5,428,600	$2,714,300	$2,714,300	$3,598,600	$1,830,000	$5,428,600
1.3	$23,255,300	$22,682,900	$11,341,450	$11,341,450	$2,817,000	$11,150,900	$13,967,900
1.4	$6,910,500	$6,831,400	$3,415,700	$3,415,700	$60,000	$4,553,400	$4,613,400
Totals	$41,120,000	$37,067,700	$18,533,850	$18,533,850	$7,287,100	$18,453,700	$25,740,900

[9] *Environmental Protection Plan for the TransCanada East Twinning Project (2003 & 2004)*, p. 15-16, Golder Associates Ltd.
[10] *Environmental Protection Plan for the TransCanada East Twinning Project (2003 & 2004)*, p.31, Golder Associates Ltd.
[11] *Environmental Protection Plan for the TransCanada East Twinning Project (2003 & 2004)*, p. 21, Golder Associates Ltd.

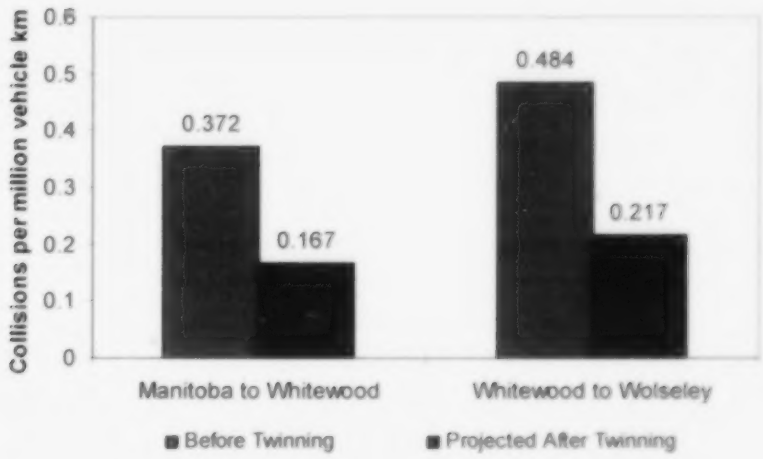
Figure 1 Highway 1 East Twinning - CSIF Expenditures by Fiscal Year



Expected Results

The Highway 1 East Twinning Project will have a positive effect on the safety performance of Highway 1. Financial, safety and emissions analyses were completed on two segments: Manitoba to Whitewood, and Whitewood to Wolseley. The collision rates before twinning and the projected collision rates after twinning are illustrated in Figure 2 below.[12]

Figure 2 Collision Rates Before and After Twinning



A MicroBENCOST analysis indicates, fuel consumption will be reduced by 19.2 million litres and carbon monoxide emissions will be reduced by 161,000 kg over the 20 year analysis period. These reductions will contribute to the environmental sustainability of Saskatchewan's transportation system.

[12] Saskatchewan Highways' collision analysis of Highway 16 between North Battleford and Saskatoon identified a 55 percent decrease in the five-year collision rate after twinning.

Project 2 – Highway 16 West: Twinning From Maidstone to North Battleford

The project includes construction of a second set of lanes along the Yellowhead Highway (Highway 16) from Maidstone to North Battleford. This will involve the construction of approximately 75.0 km of new highway, as well as various intersection and service improvements.

Project 2 is comprised of three project components, which are organized as follows.

- **Project 2.1:** General engineering, surveying, environmental screening and design required to complete the twinning of Highway 16 from North Battleford to the Alberta Border.
- **Project 2.2:** Grading and surfacing approximately 13.0 km of Highway 16 from the end of the existing four lane to 5.0 km east of Delmas.
- **Project 2.3:** Grading and paving approximately 11.0 km of Highway 16 around the community of Maidstone, and grading and paving 1.6 km of Highway 21 from south of Maidstone to the Junction of Highway 16.

Project Status

Construction of the new lanes is progressing and is on schedule to be completed in 2007. The following lists projects underway or recently completed:

- Grading on 13.0 km from the end of the four-lane west of North Battleford to 5.0 km east of Delmas has been completed. Surfacing on this section of Highway 16 is underway and is anticipated to be complete in June of 2005.
- Grading designs on 12.0 km from 5.0 km east of Delmas to west of Delmas, and on 13.0 km from west of Delmas to west of Bresaylor are nearly complete.
- Grading design on 15.0 km from west of Bresaylor to 10.0 km west of Paynton is complete.
- Clearing and grading design on 10.0 km from 10.0 km west of Paynton to 6.0 km east of Maidstone is complete.
- Grading on 13.0 km at the Maidstone Bypass is underway and anticipated to be complete in July 2005. The surfacing has been tendered and base material has been crushed.

Construction of sub-grade near the east end of project

Table 4 Contract Authorizations for Highway 16 West Twinning

Project Component	Contract Authorization	Start Date	Completion Date	Budget
2.1	SK2.1GenEng/Env	03-May-03	31-Dec-08	$287,400
2.2	037216	03-Mar-03	31-Dec-08	$66,200
	0215811	03-May-03	31-Dec-08	$2,422,600
	0315812	03-Mar-03	31-Dec-08	$3,583,100
2.3	037211	03-May-03	31-Dec-08	$2,285,000
	037212	03-Mar-03	31-Dec-08	$890,900
	Gr&PvJct16/21	03-May-03	31-Dec-08	$885,700

Environmental Issues

All required regulatory approvals have been acquired throughout the development of the Trans Canada East Twinning Project. Detailed descriptions of approval regimes and environmental issues are available in the yearly Environmental Protection Plans that have been submitted by Golder Associates.

The majority of the project area lies on previously disturbed, largely agricultural land.[13] Because of this no environmental issues have been identified to date or are predicted to arise during the construction of the new lanes on Highway 16 west. Mitigative measures were employed where there were concerns about erosion. Compensation for any lost habitat will be incorporated into the habitat compensation plan for the TransCanada East Twinning Project.[14]

Installing erosion control near Delmas

Approximately 23.5 ha of grassland was lost due to the Highway 16 twinning project. The department has purchased and transferred title on 19 ha of grassland and 2 ha of wetland habitat to Saskatchewan Environment.

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[13] *Environmental Protection Plan for the 2003/2004 Construction Area of the Highway 16 Twinning Project*, p. 19, Golder Associates Ltd.

[14] *Environmental Protection Plan for the 2003/2004 Construction Area of the Highway 16 Twinning Project*, p. 17, Golder Associates Ltd.

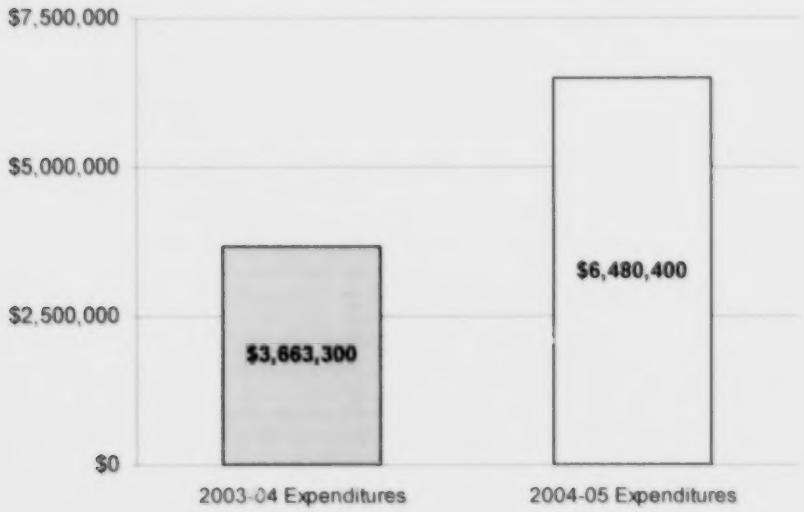
Financial Summary

A financial summary for the Highway 16 West Twinning Project is shown in Table 5 below. Figure 3 shows the 2003-04 expenditures compared to the total expenditures for 2004-05. All expenditures are based on Schedule B, Revision 1 dated July 28, 2004.

Table 5 Highway 16 West Twinning - Schedule B Summary

Project Component	Project Cost	Shareable Project Cost	Agreement Contributions		Expenditures		Total
			Federal	Provincial	2003-04	2004-05	
2.1	$304,300	$287,400	$143,700	$143,700	$197,200	$90,200	$287,400
2.2	$8,404,800	$6,071,900	$3,036,000	$3,036,000	$1,803,300	$4,268,600	$6,071,900
2.3	$5,513,400	$4,061,600	$2,030,800	$2,030,800	$1,662,800	$2,121,600	$3,784,400
Totals	$14,222,500	$10,420,900	$5,210,500	$5,210,500	$3,663,300	$6,480,400	$10,143,700

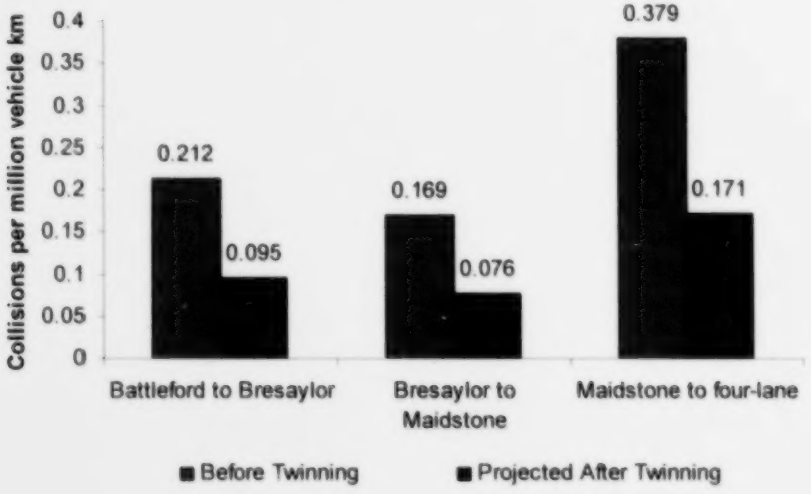
Figure 3 Highway 16 West - CSIF Expenditure by Fiscal Year



Expected Results

The Highway 16 West Twinning Project will have a positive effect on the safety performance of Highway 16. Safety analysis was conducted in three sections: Battleford to Bresaylor, Bresaylor to Maidstone and Maidstone to the start of the previously constructed four-lane. The collision rates before twinning and the projected collision rates after twinning are illustrated in Figure 4 below.[15]

Figure 4 Collision Rates Before/After Twinning



According to MicroBENCOST analysis, fuel consumption will be reduced by 10.6 million litres and carbon monoxide emissions will be reduced by 82,000 kg over the 20 year analysis period. These reductions will contribute to the environmental sustainability of Saskatchewan's transportation system.

[15] Saskatchewan Highways' collision analysis of Highway 16 between North Battleford and Saskatoon identified a 55 percent decrease in the five-year collision rate after twinning.

6. Communications Activities

Schedule A of the CSIF agreement stipulates that Canada and Saskatchewan "carry out joint communications activities and products that will promote opportunities to communicate with the public in an open, transparent, effective and proactive manner, using appropriate, ongoing, consistent public information material acknowledging the Parties' contributions." No major communications events have occurred in association with the Canada-Saskatchewan CSIF Agreement, but a number of news releases have been provided to the media and public. Table 6 contains a summary of events and news releases. News releases are attached in Appendix C.

Table 6 Communications Activities

Date	Event	Party
March 5, 2003	Announcement of Canada-Saskatchewan CSIF Agreement	Canada and Saskatchewan
March 3, 2004	News release for improving highways in North Battleford/Lloydminster area	Canada and Saskatchewan
April 27, 2004	News release for twinning Highways 1 and 16	Canada and Saskatchewan
June 30, 2004	News release for start of construction on Broadview CPR overpass	Canada and Saskatchewan
July 23, 2004	News release for the start of paving on Highway 16	Canada and Saskatchewan
August 18, 2004	News release for improving highway 16 east of Lloydminster	Canada and Saskatchewan
November 10, 2004	News release for completion of 40 km of twinning on Highway 1 East	Canada and Saskatchewan
March 15, 2005	News release updating improvements in North Battleford/Lloydminster area	Canada and Saskatchewan

7. Risk Assessment

The Trans-Canada East Twinning Project (TETP) Risk Assessment considered factors which affect the Scope, Schedule and Budget on projects funded under the CSIF program. Factors that could cause the project budget to escalate include, fuel prices, steel prices, environmental problems, and haul distance for quality aggregate. Factors that could cause this project to be completed late include weather and contractor capacity.

The volatile fuel market uncertainty is one component which will cause project costs to increase. In 2005, tendered contracts indicate Contractors were bidding in the risk associated with fuel and this will influence future bids for earth excavation and haul. The large equipment required to haul, shape, and compact a road embankment use large quantities of diesel fuel.

In 2004 the steel market demand appeared to be greater than the supply resulting in escalating prices on public tendered culverts and guard rail. In 2005 tendered culvert prices have doubled over previous years. Culverts are required at streams and low areas to allow water to flow from one side of the highway to the other.

Environmental issues could cause a significant increase in project cost. Mitigation and compensation work for loss of habitat is ongoing and escalating as negotiation continues and mitigation is implemented. The Department has incurred increased expenditures at Adair Creek and Ekapo Creek. The department contacted DFO regarding the Ekapo Creek issue and has been assessing fish habitat issues on Adair Creek since 2003. The department has initiated a monitoring/stabilization program to minimize impacts until final design have been developed and approved by the Department of Fisheries and Oceans (DFO) and other regulatory agencies. A functional design which addresses the final mitigation at Ellisboro Pit (Adair Creek) is under department review in anticipation of submission to DFO following court decision on existing charges. Problems were experienced with the culvert installations at Ekapo Creek this spring. Part of the culvert structure deformed and required replacement. Future problems are not anticipated. Both creeks will require follow-up reports on the installations in conjunction with monitoring, mitigation and compensation. A Phase 2 Environmental Investigation is currently underway at Fleming to determine the extent of soil contamination caused by abandoned fuel storage tanks. The full impact of the Phase 2 Investigation is not known.

Quality aggregate is rare in the South eastern part of Saskatchewan. Potential rock deposits have been rejected because of shale content which is not desirable when used in asphalt concrete. A new rock source has been acquired and will be hauled to finer sources to be crushed and processed as surfacing aggregate. There is always the risk of underestimating the volume and quality of the aggregate sources which would increase costs. Efforts are continuing to minimize this risk through prospecting and drilling for new sources. Large quantities of sand are also required when building a highway. Quality of the sand deposit will dictate if processing is required and the pit distance to the project impacts haul costs.

The current schedule to complete TETP could be compromised by weather. Compaction is an important factor in building a solid foundation and is very dependant on moisture content. With large amounts of rain the materials become saturated and must be dried before they can be compacted properly. As days are lost to rain a contractor's workable time becomes shorter and his capacity becomes an issue. Risks are continuously monitored and appropriate actions are implemented to minimize any impacts, therefore SHT is confident the risks identified will not compromise the completion of the project.

8. Summary of Expenditures

Table 7 details expenditures in the Canada-Saskatchewan CSIF Agreement to the end of the 2004-05 fiscal year. The table also shows the remaining funds associated with each contract authorization as approved by the Management Committee on Schedule B, Revision 1 of July 28, 2004

Table 7 Canada-Saskatchewan Canada Strategic Infrastructure Fund - Detailed Expenditures for 2003-04 and 2004-05

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2003-04 Expenditures Claimed to Date	2004-05 Expenditures Claimed to Date	Total Claimed To Date	Contract Balance
1.1	**Highway 1 east general engineering,surveying, environmental screening and design**	SK1.1GenEngEnv					
	2.5 km west of Grenfell to 4 km west of Broadview (0218815)	218815		$ -	$ -	$ -	
	3 km west of Whitewood to 14 km west of Wapella (0319111)	319111		$ 69,913	$ 209,175	$ 279,088	
	East of Wapella to Manitoba Border (0319115)	319115		$ 7,873	$ 172,541	$ 180,414	
	3 km east of Moosomin to Manitoba Border (0421211)	421211		$ -	$ -	$ -	
	Corridor general engineering (970815)	970815		$ 754,136	$ 89,569	$ 843,805	
			$ 2,124,800	$ 831,922	$ 471,385	$ 1,302,968	$ 821,894

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2003-04 Expenditures Claimed to Date	2004-05 Expenditures Claimed to Date	Total Claimed To Date	Contract Balance
1.2	**Grading - 5km west of Grenfell to 5.9 km west of Broadview**						
	5 km west to 5.8 km east to Grenfell	0218811		$ 1,605,291	$ 668,546	$ 2,273,837	
	5.6 km east of Grenfell to 5.9 km west of Broadview	0318811		$ 1,993,356	$ 708,891	$ 2,702,257	
			$ 5,439,800	$ 3,598,647	$ 1,377,437	$ 4,976,084	$ 452,516

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2003-04 Expenditures Claimed to Date	2004-05 Expenditures Claimed to Date	Total Claimed to Date	Contract Balance
1.3	**Paving - East of Wolseley to 3km west of Whitewood**					$	
	5 km west of Grenfell to 3.8 km east of Wolseley	020812		$ 2,306,629	$ 2,004,574	5,315,303	
	5 km west of Grenfell to 5.9 km west of Broadview	0318812		$ 290,151	$ 6,084,455	$ 6,374,606	
	Broadview to 5.9 km west and CPR overpass	0419232		$ -	$ -	$ -	
	3 km west of Whitewood to Broadview	0419212		$ -	$ 7,067	$ 7,067	
			$ 22,082,900	$ 2,796,780	$ 8,096,996	$ 11,697,776	$ 10,985,124

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2003-04 Expenditures Claimed to Date	2004-05 Expenditures Claimed to Date	Total Claimed To Date	Contract Balance
1.4	**Broadview Railway Overpass**	SK1.4Bridgework					
	Grading overpass abutments (0218821)	0218821		$ 59,957	$ 11,610	$ 71,567	
	Twin structures over CPR (0318814)	0318814		$ -	$ 2,023,937	$ 2,023,937	
	Supply and erect steel structure for overpass (0418824)	0418824		$ -	$ 1,261,258	$ 1,261,258	
			$ 6,831,400	$ 59,957	$ 3,296,705	$ 3,356,762	$ 3,474,648

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2003-04 Expenditures Claimed to Date	2004-05 Expenditures Claimed to Date	Total Claimed To Date	Contract Balance
2.1	**Highway 16 general engineering, surveying, environmental screening and design**						
	East of Paynton to Maidstone	007215		$ 1,980	$ 13,700	$ 15,295	
	West of Delmas to west of Bresaylor	037215		$ 57,690	$ 19,433	$ 77,123	
	West of the Battlefords to west of Maidstone - environmental screening	0315815		$ 58,730	$ 12,815	$ 69,553	
	5 km east of Delmas to west of Delmas	0315825		$ 80,940	$ 16,424	$ 97,364	
			$ 287,400	$ 197,168	$ 62,372	$ 259,539	$ 27,861

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2003-04 Expenditures Claimed to Date	2004-05 Expenditures Claimed to Date	Total Claimed To Date	Contract Balance
2.2	**Grading and Paving - end of the four-lane to 5km east of Delmas**						
	Production and stockpiling of gravel for grading projects	037216		$ 66,150	$ -	$ 66,150	
	Grading from end of four-lane to 5 km east of Delmas	0215811		$ 1,086,328	$ 619,973	$ 1,706,301	
	Paving from end of four-lane to 5 km east of Delmas	0315812		$ 650,777	$ 1,639,162	$ 2,289,939	
			$ 6,071,900	$ 1,803,253	$ 2,259,137	$ 4,061,390	$ 2,010,510

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2003-04 Expenditures Claimed to Date	2004-05 Expenditures Claimed to Date	Total Claimed To Date	Contract Balance
2.3	**Grading and Paving - Maidstone Bypass**						
	Grading Maidstone bypass	037211		$ 733,153	$ 662,072	$ 1,395,225	
	Paving Maidstone bypass	037212		$ 6,118	$ -	$ 6,118	
	Stockpiling for Maidstone bypass	037329		$ 583,853	$ -	$ 583,853	
	Grading south of Maidstone to Jct. Hwy. 16	0316111		$ -	$ 197,780	$ 197,780	
	Stockpiling for south of Maidstone to Jct Hwy. 16	0316116		$ 39,713	$ 6,484	$ 46,197	
	Paving south of Maidstone to Jct. Hwy. 16	0416112		$ -	$ -	$ -	
			$ 4,081,600	$ 1,062,837	$ 866,316	$ 2,469,153	$ 1,592,447
	PROGRAM TOTALS		$ 47,488,500	$ 10,990,164	$ 17,173,438	$ 28,123,600	$ 19,365,000

APPENDIX A
Management Committee Meeting Minutes

Canada - Saskatchewan
Canada Strategic Infrastructure Fund (CSIF)
Management Committee Meeting

Meeting No. 1

Date – **July 9, 2004**
Location – **teleconference**

Note taker: James Clarkin – Transport Canada

Attendees:	Fred Antunes – Provincial Co-Chair - Saskatchewan Highways and Transportation David Stearns – Provincial Member - Saskatchewan Highways and Transportation Andrea Fisher – Saskatchewan Highways and Transportation Kris Nanda – Federal Member - Infrastructure Canada Jim Lothrop – Acting Federal Co-Chair - Transport Canada James Clarkin – Transport Canada

Record of Discussions

1. Opening Remarks

Discussion: All were welcomed to the initial MC Meeting for the Canada – Saskatchewan CSIF Agreement.

Conclusions:

Action items: N/A	**Person responsible:**	**Deadline:**

2. Administrative Details

2.1 Note Taker

Discussion:

Conclusions: James Clarkin will take the minutes for this meeting. Prior to each meeting a note taker will be determined.

Action items: James Clarkin to circulate draft minutes.	**Person responsible**: James Clarkin	**Deadline**: ASAP

2.2 Management Committee Nominations

Discussion: Letters have been exchanged between Saskatchewan and Canada nominating the CSIF Saskatchewan Management Committee (also at times referred to as the 'Agreement Steering Committee').

The representatives are:
Fred Antunes – Provincial Co-Chair - Saskatchewan Highways and Transportation
David Stearns – Provincial Member - Saskatchewan Highways and Transportation
Ralph Jones – Federal Co-Chair – Transport Canada
Kris Nanda – Federal Member - Infrastructure Canada

Conclusions:		
Action items: N/A	**Person responsible**:	**Deadline**:
2.3 MC Members Alternates		
Discussion: Management committee meeting process if members are unable to attend.		
Conclusions: The Management committee members will attempt to attend all meetings. If one member is not available for a meeting or decision, the designated alternate shall represent the member on his/her behalf. Alternates will be: Saskatchewan – Andrea Fisher Infrastructure Canada – whomever fills the new Intermediate Analyst position Transport Canada – Jim Lothrop		
Action items: N/A	**Person responsible**:	**Deadline**:
2.4 Meeting Schedules		
Discussion:		
Conclusions: MC meetings should be held twice a year. Hopefully in late September and in March. Federal parties will endeavour to visit Saskatchewan for the next MC meeting.		
Action items: Fall date to be established.	**Person responsible**: Andrea Fisher / James Clarkin	**Deadline**:
2.5 Decision Making when MC Members are unable to attend a Meeting		
Discussion:		
Conclusions: When MC members cannot attend, alternates can act in their place. At least one provincial and one federal member must be present at the meeting for a quorum.		
Action items: N/A	**Person responsible**:	**Deadline**:
3. CSIF Program Management		
3.1 Previous project approvals		
Discussion: Previous project approvals.		

Conclusions: The MC acknowledged that both the Highway 1 and Highway 16 projects were approved by ministers prior to the nomination of the MC. MC agreed to implement these projects as announced with the aim of completion of the projects by 2008 as per the agreement. All costs incurred for the projects after the March 5, 2003 announcement are considered to be eligible for cost sharing, pursuant to the requirements of the agreement.		
Action items: N/A	**Person responsible**:	**Deadline**:
3.2 Presentation of Management of Management Committee Guidelines		
Discussion: Administration of the CSIF agreement and use of the MC guidelines.		
Conclusions: Draft MC Guidelines detailing proposed procedures to meet the requirements of the contribution agreement will be forwarded to Saskatchewan within the next few weeks. Following review by Saskatchewan and revision the guidelines will be endorsed by the MC. The MC will aim to approve the MC guidelines by the next meeting.		
Action items: Transport Canada to circulate the draft MC guidelines.	**Person responsible**: James Clarkin	**Deadline**: August 2004
3.3 Project Documentation / Project Information Requirements and Data Plan		
Discussion: Project information requirements of the agreement.		
Conclusions: The majority of the information required was submitted by Saskatchewan in the business case for the projects (AADT etc.). A sample data plan discussing reporting requirements of the Saskatchewan Highway network will be circulated to Saskatchewan. One report should cover both SHIP and CSIF reporting requirements.		
Action items: Transport Canada to forward draft Data Plan to Saskatchewan.	**Person responsible**: James Clarkin	**Deadline**: August 2004
3.4 Review of Schedule B1		
Discussion: Schedule B1 includes the cash flows for the two main programs, Highway 1 and Highway 16. This schedule does not provide project level information (project level information is completed in Schedule B2). For major changes to Schedule B1, there is a need to have written justification of significant modification to the program and cash flows.		
Conclusions: Saskatchewan will provide the best possible cost estimates and cash flows for the Highway 1 and Highway 16 projects, and advise Transport Canada as soon as possible if it looks like the cash flows for the projects will have to be changed. As cash flows for the projects are revised Schedule B1 will need to be revised and endorsed by the Management Committee.		

Action items: Saskatchewan will advise Transport Canada as soon as possible if it looks like the cash flows for the projects will have to be changed. Saskatchewan will provide written justification for any significant change in cash flow or project cost. TC to forward a copy of Schedule B1.	**Person responsible**:	**Deadline**:

3.5 Environmental Assessment requirements

Discussion: The Canadian Environmental Assessment Act requirements were discussed. It was noted that federal environmental assessments had been completed and approved for the Highway 1 and Highway 16 programs. Annual Environmental Protection Plans are required for each program to address the scheduled projects for each construction year.

The EA for the Lloydminster project had not been completed.

The MC discussed the issue of the Ellisboro Pit, where DFO have charged SHT with a harmful alteration of fish habitat. SHT noted they have undertaken comprehensive mitigation for the site, and are making all efforts to commence dialogue with DFO. Due to the current litigation, DFO will not discuss the issue with SHT.

Conclusions: Transport Canada and Saskatchewan will continue to work together to complete the environmental assessments requirements for the projects.

SHT will continue to keep the MC informed of any new information regarding Ellisboro Pit.

The MC agreed that work towards finalizing the Wetlands Compensation Plan should be pushed ahead in aim that the plan be finalized to accompany the 2005 EPPs.

The Lloydminster EA will be undertaken prior to the project work, which is scheduled near the end of the CSIF program.

Action items: TC and SHT to continue with EA process.	**Person responsible**:	**Deadline**:

3.6 Modifications of Schedule B2

Discussion: The level of detail in Schedule B2 is at the project level. Schedule B2 will be administered in the HcoMS financial tracking system.

Conclusions:

Projects cannot be placed on Schedule B2 until all approvals are in place.

All projects from the 2003 construction program and the current projects for the 2004 construction program will be added to the Schedule B2 as soon as possible.

Saskatchewan will provide the best possible cost estimates for any project submitted for CSIF, and advise Transport Canada as soon as possible if it looks like the cash flows for the projects will have to be changed. Transport Canada and SHT will review SHT's accrual accounting issues.

Action items: Saskatchewan will advise Transport Canada as soon as possible if it looks like the cash flows for the projects will have to be changed. Saskatchewan will provide written justification for any significant change in cash flow or project cost.	**Person responsible**:	**Deadline**:

3.7 Use of Engineering Guidelines in Projects

Discussion: The need for, and procedure of, establishing engineering guidelines which will be used for highway projects funded under the program was discussed.

Conclusions: Saskatchewan understood the need for this requirement. As a general rule, Saskatchewan follows regionalized guidelines for all highway projects, which are consistent with TAC guidelines. Saskatchewan will provide a letter for both Highway 1 and Highway 16 programs from their Chief Engineer confirming the guidelines are equivalent to TAC.

Action items: Saskatchewan will submit letters for the Highway 1 and Highway 16 programs that confirm the provincial guidelines are equivalent to TAC guidelines.	**Person responsible**: Fred Antunes	**Deadline**:

3.8 Financial Management / Cash Flow Forecasts (Key dates for TC)

Discussion: The need to ensure that projects are consistent with projected cash flows, procedures to follow it if looks like they will not be consistent, and that they are completed within the time frame of the agreement. Major dates for federal financial updates were also discussed.

Conclusions: Saskatchewan understood the need for accurate project estimates and accurate cash flows and will provide the best possible information.

Action items: Saskatchewan will provide the best possible project estimates and cash flows and will send their monthly forecasts to Transport Canada.	**Person responsible**: SHT	**Deadline**: Monthly

3.9 Use of HcoMS and SIMSI

Discussion: The mandatory use of the HCoMS financial tracking program and the forms needed for CSIF, Contract Authorization forms, Claim forms etc.

SIMSI is a federal database currently being developed that reports on infrastructure funding for the federal government. The data in HcoMS may be used for SIMSI but this should not require any additional work from SHT.

Conclusion:
Schedule B1 will be maintained in Word format. Schedule B2 will be generated through HcoMS.
Contract authorization forms must be completed prior to contract award.

Action items: Andrea Fisher and James Clarkin will work together with the HCOMS system.	**Person responsible**:	**Deadline**:

3.10 Review of Eligible and Ineligible Costs

Discussion: The MC reviewed the requirements noted in Schedule D of the contribution agreement.

Conclusions: It was noted that under the CSIF (different from other programs such as SHIP) services such as contracted engineering, surveying, contract administration were eligible as a shareable expense, up to 15% of project cost. SHT clarified that the agreement designated certain costs for signage, lighting and pavement marking, utility moves etc. as eligible as shareable expense, even when these operations are completed by SHT staff or a Crown Corporation.

Environmental work associated with mitigation is considered eligible. Property acquisition for wetland compensation (or any form of property acquisition) is not eligible. Any legal related costs are not eligible.

Action items: N/A	**Person responsible**:	**Deadline**:

3.11 Program reporting (Contents of annual reports)

Discussion: The requirement for and the content of Annual Reports. It was noted that the SHT Annual Report for SHIP, was considered to be a very well prepared document.

Conclusions: The requirements under the agreement for an annual report and audit report are to address the work completed the previous year, and expected work to be completed in the upcoming year. The annual report is to be completed as soon as possible, but definitively within 120 days from the end of the fiscal year. No claims for the following year will be processed until receipt of the annual report. Further details are included in the Management Committee Guidelines and the annual report Template (to be forwarded to SHT).

The contribution agreement was not in place in 2003/04 and as such an annual report will not be required, but the construction from the 2003/04 season should be reported in the report for 2004/05.

Action items: Saskatchewan agreed to submit the first annual report for the work completed for the fiscal year 2004/05 and include all work undertaken since March 5, 2003. TC agreed to provide a sample format for the annual report.	**Person responsible**: James Clarkin (template report)	**Deadline**: ASAP

3.12 Audit Framework Requirements

Discussion: The requirements for the program audits.

Conclusions: Confirmed that the audit for this fiscal year will include the financial claims of eligible expenses actually incurred and paid during previous fiscal year. The audit will be undertaken as soon as possible, but definitively within 120 days from the end of the fiscal year.

Action items: Saskatchewan agreed to submit an audit report (starting with 2004/05 but addressing the program costs since March 5, 2003).	**Person responsible**: James Clarkin	**Deadline**:

3.13 Completion of Projects

Discussion: The requirements at the completion of a project were discussed.

Conclusions: TC requires a signed affidavit or 'solemn declaration' (available in HcoMS) prior to making final payment for a project.

Action items: SHT to provide affidavits upon project completion.	**Person responsible**:	**Deadline**:

3.14 Tolls / Sale of Highways

Discussion: Rules outlining the sale or tolling of highways that have received monies under CSIF are detailed in Schedule G of the agreement, and were briefly discussed.

Conclusions: The contribution agreement indicates that Saskatchewan will return the federal funds (pro-rated with time) as per the contribution agreement, should the decision be made to sell or toll a highway that received funding under the SHIP.		
Action items: N/A	**Person responsible**:	**Deadline**:
3.15 Site Visits / Photos		
Discussion: The requirements for site visits were discussed.		
Conclusions: TC noted that a site visit to each site will be made by TC staff each year or on an as needed basis.		
Action items: TC to contact SHT to arrange for site visits.	**Person responsible**: James Clarkin	**Deadline**: tbd

4. Communication Protocol		
4.1 Public Announcement of Project		
Discussion: The announcement requirements of the agreement were discussed.		
Conclusions: The federal and provincial governments directed the MC that there would be no public signing ceremony for the agreement. This is due to the public announcement that was previously made for the project.		
Action items: N/A	**Person responsible**:	**Deadline**:
4.2 Use of Signage on Projects		
Discussion: The requirements for signs.		
Conclusions: Saskatchewan will produce and erect two project signs in each direction (total of 4) for each CSIF project. Signs must remain up for 1 year following completion of the project. Saskatchewan will modify their public notice signs such that funding figures are present with federal signage.		
Action items: SHT to erect project signs. The funding tabs are to be located on the CSIF signs.	**Person responsible**: SHT	**Deadline**:
4.3 Special events (opening ceremonies, etc.)		
Discussion: Requirements on how to treat special events.		
Conclusions: TC requires joint announcements for all projects with an opportunity for federal participation. The requirements of the official languages act must be met. SHT hope to have public ceremonies in the fall of each year for both Highway 1 and Highway 16 to officially open any new sections of highway. Transport Canada definitely needs to be included in these		

ceremonies. SHT, TC and INFC will coordinate through their communications branches. The MC will aim to see if it would be at all feasible to hold the ceremonies when the sections of highway are actually opened.

This year SHT intend to open 40km of Highway 1 (up to west of Broadview) and 13 km of Highway 16 (west of Battleford to Delmas)

Action items: TC and SHT to coordinate all events through communications staff.	**Person responsible**:	**Deadline**:

5.0 Project Updates

Discussion: The progress of the Highway 16 and Highway 1 projects were discussed. Both projects have been slowed this year due to rain.

Highway 16 – The grading project from west of the Battlefords to near Delmas should be completed in 2 to 3 weeks at which time the surfacing contract will commence. This project should be opened this fall. The Maidstone by-pass is on schedule to have grading completed this year.

Highway 1 – Grading and surfacing contracts are moving well and the hope is to have the four-lane highway open to just west of Broadview this fall. The issues for Ekapo Creek are almost resolved. It was noted that the alignment at Percival will no longer impact the Percival tree.

Conclusions: SHT will continue to update the MC as to construction progress. At present completion of all projects is scheduled for the fall of 2007.

Action items: N/A	**Person responsible**:	**Deadline**:

6.0 Next Meeting

Fall 2004 – likely late September in Regina - TBD

Canada - Saskatchewan
Canada Strategic Infrastructure Fund (CSIF)
Management Committee Meeting (MC)
Meeting No. 2

Date – **October 27, 2004**
Location – **teleconference**

Note taker: James Clarkin – Transport Canada

Attendees: David Stearns – Acting - Provincial Co-Chair - Saskatchewan Highways and Transportation
Andrea Fisher – Acting - Provincial Member - Saskatchewan Highways and Transportation
John Czernick - Saskatchewan Highways and Transportation
Miranda Carlberg (part-time) - Saskatchewan Highways and Transportation
Maxine Bilodeau – Acting Federal Member - Infrastructure Canada
Jim Lothrop – Acting Federal Co-Chair - Transport Canada
James Clarkin – Transport Canada

Record of Discussions

1. Opening Remarks

Summary: All were welcomed to the second MC Meeting for the Canada – Saskatchewan CSIF Agreement.

Action items: N/A	**Person responsible**:	**Deadline:**

2. Administrative Details

2.1 Note Taker

Summary: James Clarkin will take the minutes for this meeting. Prior to each meeting a note taker will be determined.

Action items: James Clarkin to circulate draft minutes.	**Person responsible**: James Clarkin	**Deadline**: ASAP

2.1.1 Acceptance of Minutes

Summary: The minutes of the initial Management Committee meeting of July 9, 2004 were accepted.

Action items: N/A	**Person responsible**:	**Deadline**:

2.2 Management Committee Nominations

Summary : Andrea Fisher noted that Saskatchewan Highways and Transportation (SHT) would be forwarding a letter nominating Mr. David Stearns to replace Mr. Fred Antunes as Provincial Co-Chair for the CSIF, and nominating Lori Mathews to assume the role of Provincial Member. It was also noted that Maxine Bilodeau would be serving as alternate federal member when Kris Nanda is not available.

Action items: SHT to forward nomination letter.	**Person responsible**:	**Deadline**:

2.3 Meeting Schedules

Summary: Transport Canada and INFC will endeavour to visit Regina in the middle of March 2005 for the next Management Committee Meeting. A site visit may be scheduled. Date and details to be determined.

Action items: TC to suggest meeting date.	**Person responsible**: James Clarkin	**Deadline**:

3. CSIF Program Management

3. 1 Proposed Management of Management Committee Guidelines

Summary: James Clarkin noted that TC and INFC were in the final stages of developing MC Guidelines detailing proposed procedures to meet the requirements of the contribution agreement. TC will forward the MC Guidelines to Saskatchewan.

Jim Lothrop added that as a new initiative within CSIF programs, there is a requirement to conduct a compliance audit with an independent auditor for the management of the program. TC and INFC will provide further details.

Action items: Transport Canada to circulate the draft MC guidelines. TC and INFC to provide details regarding the compliance audit requirements.	**Person responsible**: James Clarkin	**Deadline**:

3.2 Environmental Assessment requirements

Summary: The Canadian Environmental Assessment Act requirements were discussed. It was noted that federal environmental assessments had been completed and approved for the Highway 1 and Highway 16 programs.

3.2.1 EPPs - SHT intend to provide draft EPPs for the 2005 construction program by the end of November. TC and INFC will aim to provide approvals before January 2005. SHT noted there is one project on the 2005 construction schedule that SHT would like to tender in December. All parties agreed to work together to provide approvals for this project.

3.2.2 Habitat Compensation Plan - SHT had just received a draft Habitat Compensation plan and would be circulating it shortly in advance of the November 2, 2004 meeting in Regina to discuss the plan. TC expressed the importance of finalizing the plan. It is the intention of SHT that the EPPs will include the final habitat compensation plan.

3.2.3 Lloydminster EA - The EA for the Lloydminster project has not been started. SHT intend to complete the work in 2007. The timetable for the EA will be discussed at the Spring 2005 Management Committee meeting.

3.2.4 Ellisboro Pit - The MC discussed the issue of the Ellisboro Pit, where DFO have charged SHT with a harmful alteration of fish habitat. SHT noted that the court dates continue to be postponed and there are no new updates. SHT has completed design for mitigation at the site and await comments from DFO. However, due to the current litigation, DFO will not discuss the issue with SHT.

3.2.5 Land Dispute – SHT noted that a land owner had launched a suit seeking additional compensation for land that was expropriated for a borrow pit. SHT will provide updates to the MC as the negotiations continue.

Action items: SHT to provide timeline for Lloydminster EA. SHT to finalize compensation plan as soon as possible.	**Person responsible**:	**Deadline**: Lloydminster - Spring MC meeting Compensation – end of November with EPP

3.3 Project Updates

Summary:
Highway 1 – SHT noted that the 2004 construction season was extremely wet and progress was difficult, but for the most part the project schedule was maintained. Grading from Broadview to Whitewood has been completed but work for and around the Broadview bridges has had some complications, and there will be 1.5km of work that will need to be carried over to next year. SHT was pleased to note that 40 km of Highway 1, from Wolseley to Grenfell was opened this year. The detail design for the work towards the Manitoba border is proceeding well. SHT had previously suggested it may seek to advance certain projects, but at this time it did not appear SHT would be advancing any projects. It was noted that the newly opened section had been nominated for an award by the Road Building and Heavy Construction Association of Saskatchewan.

Highway 16 – In North Saskatchewan it was also a very wet construction season. The twinning section from the Battlefords west may not have paving completed this fall, so it is unsure if this section of four-lane will be opened this year, at the latest it will be completed in the Spring. The by-pass at Maidstone will be completed by July 2005. The projects were slowed due to the poor weather, but the overall Highway 16 Twinning program is still on track.

Action items:	**Person responsible**:	**Deadline**:

3.4 Financial Management / Cash Flow Forecasts

Summary: Schedule B1 and B2 are fairly current and do not need to be modified in the immediate future. SHT will seek to update the B1 and B2 following the EPP approval for 2005 construction contracts, this will likely be done in early 2005.

Action items: SHT to revise Schedule B1 and B2 for 2005 construction season.	**Person responsible**: SHT	**Deadline**: Winter 2005

3.5 HcoMS

Summary: TC has received a number of contract authorizations from SHT. TC will be processing them shortly at which time SHT will be able to submit claims under the CSIF. SHT indicated they intend to submit claims as soon as the contract approvals are accepted.

3.6 Site Visits / Photos

Summary: James Clarkin noted that all TC site visits for 2004 had been completed, and thanked SHT for conducting site visits and for the hospitality. SHT noted that all minor funding signage issues had been rectified. As per the agreement TC will be completing site visits in 2005.

Action items: TC to contact SHT in 2005 construction season.	**Person responsible**: James Clarkin	**Deadline**:

4. Communication Protocol

4.1 Annual Report

Summary: In accordance with the agreement, SHT will be submitting an annual report for the work to date up to March 31, 2005.

Action items: SHT to submit annual report within four months of March 31, 2005.	**Person responsible**:	**Deadline**:

4.2 Communications

Summary: SHT has proposed an event for an opening ceremony on Highway 1 for the new 40km section opened this fall. A federal minister is not available for the opening, but federal quotes from TC and INFC will be included in the news release. SHT, TC and INFC communications staff will work together to complete this.

SHT noted that from this time forward, all operational news releases for highway projects that involve federal funding will not include federal or provincial quotes. The releases may include notice of federal funding and if possible provincial and federal logos.

TC noted that SHT should provide as much notice as possible for communications events.

Action items: SHT communications to continue contact with TC and INFC communications.	**Person responsible**:	**Deadline**:

4.3 Updates on the Border Infrastructure Fund – BIF (separate from CSIF)

Summary : Note – The BIF agreement has not been signed to date, however it is likely the future BIF Management Committee will consist of the same parties. As such it was deemed appropriate to discuss the status of the BIF at this meeting.

Miranda Carlberg of SHT provided an update on the status of the Border Infrastructure Fund project. INFC and SHT representatives met with City of Estevan officials on October 22, 2004 to discuss Estevan's reluctance to participate in the program. Estevan reiterated they were not interested in funding the project. In all likelihood it appears that SHT will submit a revised Business Case for the BIF program that will not include the section through Estevan. Miranda noted that an environmental review was being undertaken for the possible addition of work to the north of Hitchcock, but the environmental work had been slowed by the weather. Miranda also noted that INFC was reviewing some details of the BIF program relating to Estevan and would be in contact with direction for SHT.

As per status of the projects, the first segment has been completed from North Portal to south of the Souris River. The second segment from the Souris River to Estevan is scheduled to be tendered this winter.

It was noted that a project for a rail line grade separation that was being rumoured as a BIF candidate

project is actually not on Hwy 39 and would not be a candidate to package with the BIF program. TC and INFC noted that it is extremely important for SHT to firm up BIF program details and to move ahead with the federal approvals for the BIF program.		
Action items: SHT to submit a revised business case for the BIF project.	**Person responsible**: Miranda Carlberg	**Deadline**: ASAP
6.0 Next Meeting March 2005 in Regina – specifics to be determined.		

APPENDIX B
Schedule B, Revision 1

CANADA - SASKATCHEWAN CSIF - CANADA STRATEGIC INFRASTRUCTURE FUND

2002/03 - 2008/09

SCHEDULE 'B'

PROJECTS TO BE UNDERTAKEN THROUGH THIS AGREEMENT

Revision #1

28/07/2004

Project Number	Description of Projects	Estimated Project Cost	Shareable Project Cost	Agreement Contributions		Previous Claims	Breakdown Of Expenditures					Future Expenditures
				Federal	Partner	02/03 - 03/04	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	
1.0	**Highway 1 East**	$	$	$	$	$	$	$	$	$	$	$
* 1.1	**Highway 1 East general engineering, surveying, environmental screening and design** The proposed project involves Highway 1 east general engineering, surveying, environmental screening and design required to complete the twinning of Highway 1 from approximately 3 km east of Wolseley to the Manitoba border.	5,331,400	2,124,800	1,062,400	1,062,400	0	1,731,000	210,000	105,000	78,800	0	0
* 1.2	**Grading - 5 km west of Grenfell to 5.9 km west of Broadview** The proposed project involves twinning approximately 22.93 kms of Highway 1. This involves grading approximately 22.93 kms of east bound lanes of Highway 1 from 5 km west of Grenfell to 5.9 km west of Broadview.	5,622,800	5,428,600	2,714,300	2,714,300	0	5,428,600	0	0	0	0	0
* 1.3	**Paving - East of Wolseley to 3 km west of Whitewood** The proposed project involves paving approximately 66.5 km of Highway 1 from East of Wolseley to West of Whitewood.	23,255,300	22,682,900	11,341,450	11,341,450	0	13,967,900	8,715,000	0	0	0	0
* 1.4	**Broadview Railway Overpass** The proposed project involves the supply, fabrication, delivery and erection of structural steel and the construction of twin steel and concrete overhead bridges on Highway 1 over the C.P.R. approximately 3 km west of Broadview.	6,910,500	6,831,400	3,415,700	3,415,700	0	4,613,400	1,955,500	262,500	0	0	0
* 1.5	**[11-Aug-2004] Unallocated Funds** Unallocated Funds	45,612,300	45,612,300	22,806,150	22,806,150	0	0	11,559,500	23,412,500	10,640,300	0	0
	Sub-Total	**86,732,300**	**82,680,000**	**41,340,000**	**41,340,000**	**0**	**25,740,900**	**22,440,000**	**23,780,000**	**10,719,100**	**0**	**0**

CANADA - SASKATCHEWAN CSIF - CANADA STRATEGIC INFRASTRUCTURE FUND

2002/03 - 2008/09

SCHEDULE 'B'

PROJECTS TO BE UNDERTAKEN THROUGH THIS AGREEMENT

Revision #1

Project Number	Description of Projects	Estimated Project Cost	Shareable Project Cost	Agreement Contributions		Previous Claims	Breakdown Of Expenditures					Future Expenditures
				Federal	Partner	02/03 - 03/04	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	
2.0	Highway 16 West	$	$	$	$	$	$	$	$	$	$	$
* 2.1	Highway 16 - general engineering, surveying, environmental screening and design The proposed project involves the general engineering, surveying, environmental screening and design required to complete the twinning of Highway 16 from North Battleford to the Alberta Border	304,300	287,400	143,700	143,700	0	287,400	0	0	0	0	0
* 2.2	Grading and Paving - end of the four-lane to 5 km east of Delmas The proposed project involves the grading and surfacing of 12.7 kms of Highway 16 from the end of the existing four lane to 5 km east of Delmas	8,404,800	6,071,900	3,035,950	3,035,950	0	6,071,900	0	0	0	0	0
* 2.3	Grading and Paving - Maidstone Bypass This proposed project involves 10.63 kms of grading and paving Highway 16 around the community of Maidstone and grading and paving 1.6 km of Highway 21 from south of Maidstone to the Junction of Highway 16.	5,513,400	4,061,600	2,030,800	2,030,800	0	3,784,400	277,200	0	0	0	0
* 2.4	[31-Aug-2004] Unallocated Funds Unallocated Funds	36,899,100	36,899,100	18,449,550	18,449,550	0	0	3,642,800	15,700,000	17,556,300	0	0

CANADA - SASKATCHEWAN CSIF - CANADA STRATEGIC INFRASTRUCTURE FUND

2002/03 - 2008/09

SCHEDULE 'B'

PROJECTS TO BE UNDERTAKEN THROUGH THIS AGREEMENT

Revision 61

28/07/2004

Project Number	Description of Projects	Estimated Project Cost	Shareable Project Cost	Agreement Contributions		Previous Claims	Breakdown Of Expenditures					Future Expenditures
				Federal	Partner	02/03 - 03/04	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	
	Sub-Total	51,121,600	47,320,000	23,660,000	23,660,000	0	10,143,700	9,120,000	15,700,000	12,356,300	0	0
	Program Total	137,563,900	130,000,000	65,000,000	65,000,000	0	15,504,600	11,560,000	19,400,000	23,675,400	0	0

* The disbursement of the funds required for this project is subject to, and is the completion of an environmental assessment of this project pursuant to the Canadian Environmental Assessment Act and the regulations made thereunder, if any mitigative measures that it may require.

Approved by the Management Committee

Canada: For R. Jones — Date: 18/10/2004

Saskatchewan: — Date: October 13/04

APPENDIX C
News Releases

News Release

March 15, 2005

Highways and Transportation – 206

PROVINCE TO IMPROVE HIGHWAYS IN THE NORTH BATTLEFORD/LLOYDMINSTER AREA

Tenders have been awarded and gravel stockpiling has begun for highway improvement projects listed on the Winter Tender Schedule for the North Battleford/Lloydminster area.

"These projects, particularly our progress toward the completion of twinning Highway 16 between Saskatoon and the Alberta border, will increase safety and support regional economic development," Highways and Transportation Minister Maynard Sonntag said.

"Transportation is an enabler for economic development at both the regional and national levels, and these improvements demonstrate once again that this is a priority for the Government of Saskatchewan. We are working to enhance the sustainability of our provincial transportation network and ensure that it meets the unique challenges we face in the 21st century."

On Highway 16, twinning work continues with a total of 20.34 km of paving east and west of Maidstone, including work on the Maidstone access road from its junction with Highway 16 to the town of Maidstone. Additional construction will also take place on various sections on Highway 21 between Highway 16 and Highway 40. Warner Construction Ltd. is the contractor. Gravel crushing in preparation for construction began on February 8th, and on-road construction is scheduled to begin in May. This project is being cost-shared with the federal government through the Canada Saskatchewan Infrastructure Fund (CSIF). It is valued at $5.9 million and will employ a total of 110 workers.

On Highway 16, twinning progress continues with paving work from the end of the four-lane highway west of North Battleford to 5 km east of Delmas for a total of 13.6 km. This project is being cost-shared with the federal government through CSIF and is valued at $4.5 million. Work is estimated to be complete by June 15th.

On Highway 40, a total of 18.24 km will be strengthened and resurfaced from 16.16 km west to 34.4 km west of the town of Battleford. G&C Asphalt Services Ltd. is the contractor and on-road construction is scheduled to commence in May. This project is being cost-shared with the federal government through the Prairie Grain Roads Program (PGRP) and is valued at approximately $5.2 million.

On Highway 4, the northbound structure of the highway bridge over the North Saskatchewan River near North Battleford will be strengthened. Supreme Steel

Ltd. is the contractor. The project, which is valued at $693,000 and is scheduled to be complete by March 31st, is the first phase of a three-phase project to complete the widening, strengthening, and rehabilitation of the bridge by late 2006.

These projects are included on Saskatchewan Highways and Transportation's 2004-05 Winter Tender Schedule (WTS). The WTS lists a total of 29 highway improvement projects, three bridge rehabilitations, and 11 gravel stockpiling contracts up for tender to Saskatchewan's road building industry this winter. The total value of the WTS is $79.5 million.

The WTS represents about half of the highway improvement projects that will take place in 2005. They are tendered in the winter to get a jump on the spring and summer construction season. Additional projects will be announced in the spring when the 2005-06 budget is released.

For more information about road construction projects, and other Saskatchewan Highways and Transportation activities, visit the department's web site at: www.highways.gov.sk.ca.

News Release

November 10, 2004

Highways and Transportation – 705

TWINNING CONSTRUCTION COMPLETE ON HIGHWAY 1 EAST

Construction on Highway 1 east resulted in 40 km of new twinned lanes opened to the driving public and another 25 km of new lanes graded in preparation for paving, as the 2004 construction season came to a close in Saskatchewan.

"The people of Saskatchewan have told us that twinning the province's portion of the Trans Canada is important to them," Highways and Transportation Minister Maynard Sonntag said. "We are committed to meeting the public's expectations, getting people and goods where they need to go efficiently and safely."

Saskatchewan motorists can drive another 40 km of divided highway between Wolseley and Broadview. Grading work on the new lanes began in the 2003 construction season. In the 2004 construction season, grading continued and paving began from east of Wolseley to west of Broadview. Paving was completed in late September.

Grading on an adjacent 25 km of new lanes from west of Broadview to west of Whitewood wrapped up in late October, as did construction on the CPR overpass bridge sub-structures (piles, piers and abutments) at Broadview. These projects were completed in preparation for paving in 2005.

The total construction cost for twinning on Highway 1 East this year was $26.7 million. This work was cost-shared with the federal government through the Canada Strategic Infrastructure Fund (CSIF) and the Strategic Highway Infrastructure Program (SHIP). The province provided $14.4 million in funding while the federal contribution was $12.3 million.

"Highway 1 serves as an essential trade corridor and tourism link to the rest of Canada as part of the National Highway System," Sonntag said. "I look forward to the completion of twinning on Highway 1 to the Manitoba border by 2007."

For more information on construction projects and other Highway and Transportation activities, visit the web site at www.highways.gov.sk.ca.

News Release

August 18, 2004

Highways and Transportation – 502

IMROVING HIGHWAY 16 EAST OF LLOYDMINSTER
Construction has begun on 9 km of resurfacing on Highway 16 east of Lloydminster.

Resurfacing will take place on the westbound lanes from 1.8 km west to 7.1 km east of the junction of Highway 303. Potzus Paving and Road Maintenance Ltd. of Yorkton is the contractor. This $1.5 million project will employ 24 full-time employees.

The public is advised that there will be an occasional disruption of traffic during the construction period, which should be complete by mid-September.

"Highway 16 serves as an important trade corridor and tourism link to the rest of Canada as part of the National Highway System," Highways and Transportation Minister Maynard Sonntag said. "These improvements will enhance safety and support regional economic development, demonstrating once again that transportation is a priority for the Government of Saskatchewan."

Other work on Highway 16 this construction season includes twinning 13.6 km from west of North Battleford to east of Delmas, which will be open to traffic this fall. New lanes from 6 km east of Maidstone to 4.5 km west of Maidstone will be graded in preparation for paving in 2005. Highway 16 from the Battlefords to the Alberta border will be completely twinned by 2007.

Over the past three years, the province has invested $900 million in Saskatchewan's transportation network, improving 1,000 km of paved highways, upgrading 750 km of rural highways, and twinning 172 km on Highway 1 and 16.

This year's budget provides an additional $294.8 million to improve another 740 km of major highways and 30 bridges, and twin 53 km on Highway 1 and 16 this construction season.

Remember to slow to 60 km/h when passing through the construction Orange Zone, and watch for construction workers, signs and heavy equipment.

For more information about construction in your area, view the project map at at: www.highways.gov.sk.ca.

News Release

July 23, 2004

Highways and Transportation – 459

PAVING BEGINS ON HIGWAY 16

Paving is underway on the newly-graded lanes of Highway 16 from the end of the four-lane near North Battleford to east of Delmas.

Grading, or building up the roadbed in preparation for paving, began on the new twinned lanes on Highway 16 west of North Battleford in the 2003 construction season. That grading work should be complete by July 31st. Construction crews began paving the new lanes today. This 13.6 km section will be open to traffic this fall.

In addition, Highway 16 is being realigned around the north side of Maidstone this construction season. Grading on new east and westbound lanes is underway from 6 km east of Maidstone to 4.5 km west of Maidstone in preparation for paving in 2005.

"The people of Saskatchewan have told us that twinning is important to them, and we are committed to meeting the public's expectations," Highways and Transportation Minister Maynard Sonntag said. "The newly-twinned lanes constructed on Highway 16 this year will provide a safer, more efficient route for motorists on the National Highway System."

Saskatchewan Highways and Transportation's 2004-05 budget has provided $29 million for twinning on Highway 16 and 1, including opening 53 km of new lanes in the upcoming construction season.

Twinning on Highway 1 East includes opening 39.7 km of new lanes from east of Wolseley to west of Broadview this fall; and starting to grade 26.7 km, from 5.9 km west of Broadview to 3 km west of Whitewood, in preparation for paving in 2005.

The provincial government originally committed to twinning Highway 1 east by 2012 and Highway 16 from North Battleford to the Alberta border by 2010. That schedule was accelerated with an injection of federal funding. Twinning on Highway 1 and 16 will be cost-shared on a 50-50 basis with the federal government through the Canada Strategic Infrastructure Fund (CSIF) and the Strategic Highway Infrastructure Program (SHIP).

"Highway 1 and 16 serve as important trade corridors and tourism links to the rest of Canada as part of the National Highway System," Sonntag said. "In Saskatchewan, we're building better highways – ensuring a safer transportation system and driving economic development. This twinning demonstrates once again

that transportation is a priority for the Government of Saskatchewan."

The province has committed $294.8 million to Highways and Transportation in 2004-2005. 740 km of highways will be improved this year.

Motorists are reminded to reduce speed and drive safely through the Orange Zone, and to watch for construction signs and heavy equipment during this busy construction season.

For more information about upcoming construction in your area, and other Saskatchewan Highways and Transportation activities, visit the web site at: www.highways.gov.sk.ca.

News Release

June 30, 2004

Highways and Transportation - 401

WORK BEGINS ON BROADVIEW CPR OVERPASS
Construction is underway on twin steel and concrete overpass bridges on Highway 1 over the CPR tracks near Broadview.

The new overpass bridges are being built in conjunction with highway twinning in the area. The existing overpass bridge will be demolished once the new lanes are opened to traffic.

Westridge Construction Ltd. is the general contractor, and Rapid-Span Structures Ltd. is the contractor supplying and erecting the structural steel on this $6.4 million overpass bridge project. Construction should be complete by September 2005.

Twinning on Highway 1 this construction season is taking place from east of Wolseley to west of Whitewood. This includes opening 39.7 km of new lanes from east of Wolseley to west of Broadview this fall; and starting to grade 26.7 km, from 5.9 km west of Broadview to 3 km west of Whitewood, in preparation for paving in 2005. Construction on these projects is underway now.

"The people of Saskatchewan have told us that twinning is important to them, and we are committed to meeting the public's expectations," Highways and Transportation Minister Maynard Sonntag said. "The newly-twinned lanes constructed this year will provide a safer, more efficient route for motorists on the National Highway System."

Saskatchewan Highways and Transportation's 2004-05 budget has provided $29 million for twinning on Highway 1 and 16, including opening 53 km of new lanes in the upcoming construction season.

On Highway 16, construction is underway on 13.6 km of newly-twinned lanes from west of North Battleford to east of Delmas, which will be open to traffic this fall. In addition, new lanes from 6 km east of Maidstone to 4.5 km west of Maidstone will be graded in preparation for paving in 2005.

The provincial government originally committed to twinning Highway 16 from North Battleford to the Alberta border by 2010 and Highway 1 east by 2012. That schedule was accelerated with an injection of federal funding. Twinning on Highway 1 and 16 will be cost-shared on a 50-50 basis with the federal government through the Canada Strategic Infrastructure Fund (CSIF) and the Strategic Highway Infrastructure Program (SHIP).

"Highway 1 and 16 serve as important trade corridors and tourism links to the rest of Canada as part of the National Highway System," Sonntag said. "In Saskatchewan, we're building better highways – ensuring a safer transportation system and driving economic development. This twinning demonstrates once again that transportation is a priority for the Government of Saskatchewan."

The province has committed $294.8 million to Highways and Transportation in 2004-2005 which will improve 740 km of highways and improve 30 bridges.

Motorists are reminded to reduce speed and drive safely through the Orange Zone, and to watch for construction signs and heavy equipment during this busy construction season.

For more information about upcoming construction in your area, and other Saskatchewan Highways and Transportation activities, visit the web site at: www.highways.gov.sk.ca.

News Release

April 27, 2004

Highways and Transportation - 202

TWINNING HIGHWAYS 1 AND. 16

Saskatchewan Highways and Transportation 2004-05 budget has provided $29 million for twinning on Highway 1 and 16, including opening 53 km of new lanes in the upcoming construction season.

"The people of Saskatchewan have told us that twinning is important to them, and we are committed to meeting the public's expectations," Highways and Transportation Minister Maynard Sonntag said. "The newly-twinned lanes constructed this year will provide a safer, more efficient route for motorists on the national highway system."

Twinning on Highway 1 East includes opening 39.7 km of new lanes from east of Wolseley to west of Broadview this fall; and grading 26.7 km from 5.9 km west of Broadview and 3 km west of Whitewood, in preparation for paving in 2005.

On Highway 16, 13.6 km of newly-twinned lanes from west of North Battleford to east of Delmas will be open to traffic this fall. In addition, new lanes from 6 km east of Maidstone to 4.5 km west of Maidstone will be graded in preparation for paving in 2005.

The provincial government originally committed to twinning Highway 16 from North Battleford to the Alberta border and all of Highway 1 by 2012. That schedule was pushed up five years with an injection of federal funding. Twinning on Highway 1 and 16 will be cost-shared on a 50-50 basis with the federal government through the Canada Strategic Infrastructure Fund (CSIF) and the Strategic Highway Infrastructure Program (SHIP).

"Highway 1 and 16 serve as important trade corridors and tourism links to the rest of Canada as part of the National Highway System," Sonntag said. "In Saskatchewan, we're building better highways – ensuring a safer transportation system and driving economic development. This twinning demonstrates once again that transportation is a priority for the provincial government."

The province has committed $294.8 million to Highways and Transportation in 2004-2005. A total of 740 km of highways will be improved this year.

Motorists are reminded to reduce speed and drive safely through the Orange Zone, and to watch for construction signs and heavy equipment during this busy construction season.

For more information about upcoming construction in your area, and other Saskatchewan Highways and Transportation activities, visit the web site at: www.highways.gov.sk.ca.

News Release

March 3, 2004

Highways and Transportation - 080

IMPROVING HIGHWAYS IN THE NORTH BATTLEFORD/LLOYDMINSTER AREA

Tenders have been awarded and gravel stockpiling has begun on highway improvement projects listed on the Winter Tender Schedule for the North Battleford/Lloydminster area.

"The highways designated for improvements in the North Battleford and Lloydminster areas are subject to heavy truck traffic, which leads to rutting and rough sections." Highways and Transportation Minister Maynard Sonntag said. "These highway improvements will continue the province's plan of enhancing key transportation corridors in northwest Saskatchewan to support regional economic and social development."

On Highway 16, 13.6 km of new westbound lanes will be surfaced, beginning 10.8 km northwest of Battleford and continuing northwest. Warner Construction Co. Ltd. is the contractor. Gravel crushing in preparation for construction began February 12th and on-road construction is expected June 5th. This twinning project is valued at $4.5 million and is being cost-shared with the federal government through the Canada Strategic Infrastructure Fund (CSIF). It will employ 90 full-time workers.

On Highway 16, gravel is being stockpiled to surface 10.94 km of new east and westbound lanes for the new alignment of Highway 16 around the north side of Maidstone. Clayton Construction Co. Ltd. of Yorkton is the contractor. Grading from 7.1 km east of Maidstone to 3.8 km west of Maidstone started last fall and will be completed during the 2004 summer construction season. The grading and aggregate stockpiling projects are valued at $4.85 million and are being cost-shared with the federal government through CSIF. The projects will employ 33 full-time workers.

On Highway 16, 9 km of existing westbound lanes will be resurfaced beginning just east of Lloydminster. Potzus Paving and Road Maintenance of Yorkton is the contractor. Crushing and hauling of gravel in preparation for construction will begin at the end of February and on-road construction is slated for mid July. This project is valued at $1.6 million and will employ 43 full-time workers.

On Highway 40, 8 km will be surfaced from west of Cutknife to the junction of Highway 21. The project will be tendered in April with on-road construction during the 2004 construction season. The project is being cost-shared with the

federal government through the Prairie Grain Roads Program (PGRP).

On Highway 21, 18.7 km will be surfaced from the Junction of Highway 40 to north of the Battle River. This project is currently up for tender and on-road construction will be underway in the 2004 summer construction season. This project will make almost all of Highway 21 between the junction of Highway 40 and Maidstone a paved standard and is being cost-shared with the federal government through the PGRP.

In addition, this region will see a bridge rehabilitation and painting project take place on the North Saskatchewan River Bridge at North Battleford. Improvements will include widening the lanes on the northbound bridge during the 2004 construction season and repainting the steel girders in 2005.

The improvement projects for the North Battleford/Lloydminster area are included on Saskatchewan Highways and Transportation's 2003-04 Winter Tender Schedule (WTS). The WTS lists a total of 29 highway improvement projects, one bridge rehabilitation and 15 gravel stockpiling contracts up for tender to Saskatchewan's roadbuilding industry this winter. The total value of the WTS is $72.8 million.

The WTS represents about half of the highway improvement projects that will take place in 2004. These projects are tendered in the winter to get a jump on the spring and summer construction season, while also creating seasonal employment. Hauling gravel in preparation for these projects in the winter helps to minimize road damage since the roadbeds are frozen.

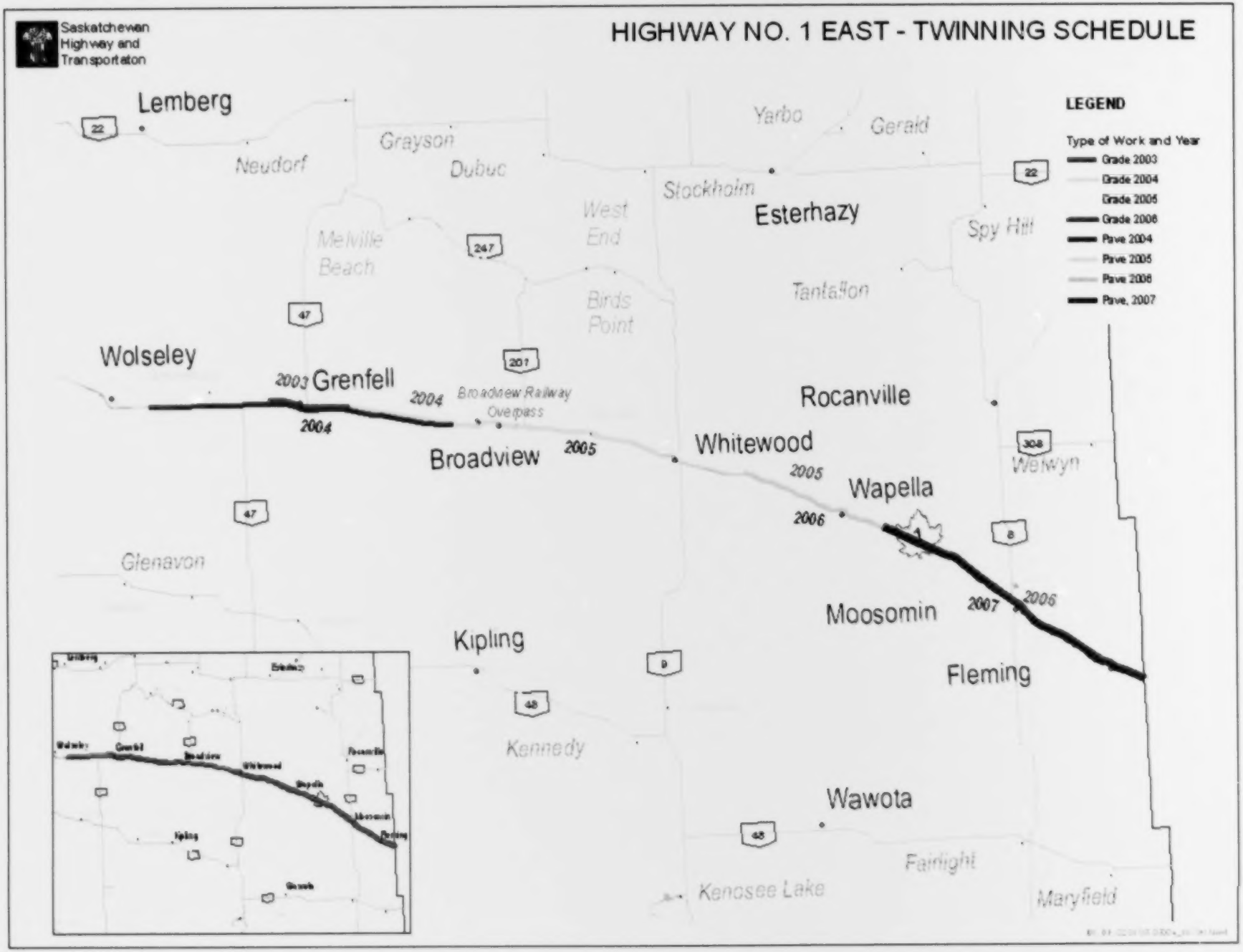
Additional highway improvements projects will be announced in the spring when the 2004-05 budget is released.

For more information about road construction projects, and other Saskatchewan Highways and Transportation activities, visit the web site at: www.highways.gov.sk.ca.

APPENDIX D
Project Schedule Maps

Saskatchewan
Highway and
Transportation

HIGHWAY NO. 1 EAST - TWINNING SCHEDULE



Saskatchewan
Highway and
Transportaton

HIGHWAY NO. 16 WEST - TWINNING SCHEDULE

LEGEND

Type of Work and Year

- Grade 2003
- Grade 2004
- Grade 2005
- Grade 2006
- Pave 2004
- Pave 2005
- Pave 2006
- Pave, 2007

Edam

Vawn

Meota

Metinota

Maidstone

2004

2005

2004

2005

2006

Paynton

2006

2007

16

Bresaylor

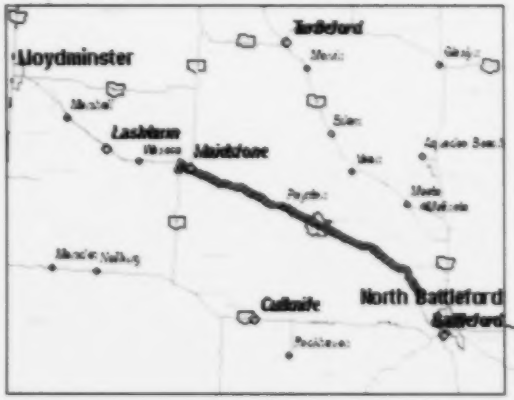
Delmas

2003

2004

Highgate

21



Cutknife

APPENDIX E

Site Visits

Conducted by Transport Canada

SITE VISIT REPORT **Saskatchewan CSIF**	
Site Visit No.: 2 (2004 visit)	**Date: June 3, 2004**
Project Name:	Trans-Canada Highway 1 East
Project Location:	Highway 1 east of Regina. From Wolseley to the Manitoba border.
Project Description:	Reconstruction of 135km. Twin Highway 1 from approximately 3 km east of Wolseley (km 20 on Control Section 1-05) to the Manitoba Border, including but not limited to associated roadways, ancillary facilities, service roads, and re-alignment of adjacent highways as required to complete the twinning of Highway 1.
Start Date:	2003
Completion Date:	2008
Total Eligible Costs:	$ 91Million
Federal Contribution:	$ 44 Million (including $4 Million under SHIP)
Contacts:	Andrea Fisher Manager, Operational Assessment Unit Saskatchewan Highways & Transportation 11th flr, 1855 Victoria Ave. Regina, Saskatchewan S4P 3V5 Ph: (306) 787-0662 Fax: (306) 787-8700 Garry Cairns, Assistant Project Manager Saskatchewan Highways and Transportation, Southern Region 1630 Park Street Regina, SK S4P 3V7 Ph (306) 787-3681 Cell (306) 533-0851

Description of Surrounds:	The area is rural and is primarily. The existing route passes through a number of smaller towns and the new alignment will include a number of by-passess. The topography is fairly flat and there are a few wetland areas that will be impacted.
Additional Information:	

PROGRAM SIGNAGE

	Yes	No
Program signs installed as per agreement?	X (see note)	

If NO, why not?

Due to the number of contracts in place the province did not have enough program signs so a few are missing. Most signs are in place and the additional signs have been ordered and will be erected asap.

ENVIRONMENTAL MITIGATION

	In Place (Y/N)	Photo No.
Silt fences in place as required.	Y	
Mitigation plan for loss of wetland and grasslands in discussion.		

Additional Comments:
It has been an unusually wet spring and there has been some minor erosion of unfinished grade within the median and shoulders.

CONSTRUCTION ACTIVITIES

List construction activities during site visit:

Grading and earthworks for the new lanes. There has been a lot of work to process aggregates and establish stockpiles.

General construction schedule for remainder of project: Grading near Wolsely for new WBL. Movement of earth from cut and fill and borrow areas with multiple heavy crawlers. Lots of iron. The earthworks is the focus at this stage to construct the sub-grade. Surfacing work will follow in the next contract. Grading near Broadview for new EBL and Broadview Bridges. Movement of earth from cut and fill and borrow areas with multiple heavy crawlers. Lots of iron. The earthworks is the focus at this stage to construct the sub-grade. Surfacing work will follow in the next contract.
Any discrepancies between the proposed project description and what is being built? No. Proceeding as planned.
Additional Comments: Site photos in addition to those below can be found on the TC drive at: G:\AH\AHS\AHS NEW\Highways\Saskatchewan\y-Federal Programs\Site Visits\June 2 to 9 2004 - SHIP BIF CSIF\20040610-131400

Highway 1 – New WBL looking east near Wolseley

Highway 1 near Grenfell - Early grading and contractor's equipment

Highway 1 – Stockpile near Grenfell

Highway 1 – Looking east at east approach to Broadview Bridges

Ellisboro pit after very heavy rainfalls

SITE VISIT REPORT Saskatchewan CSIF	
Site Visit No.: 2 (2004 Visit)	**Date: June 8, 2004**
Project Name:	Yellowhead Highway 16 Twinning
Project Location:	Highway 16 Twinning, From west of the Battlefords to east of Lloydminster
Project Description:	Grading and paving to twin 75 km of the existing two lane Yellowhead Highway 16.
Start Date:	This project started in Summer 2003
Completion Date:	Fall 2008 (currently on schedule)
Total Eligible Costs:	$ 51 Million
Federal Contribution:	$ 25 Million

Contacts:	Andrea Fisher Manager, Operational Assessment Unit Saskatchewan Highways & Transportation 11th flr, 1855 Victoria Ave. Regina, Saskatchewan S4P 3V5 Ph: (306) 787-0662 Fax: (306) 787-8700 Ron Pilot, Assistant Project Manager Saskatchewan Highways and Transportation, Northern Region 5th Fl. 350 - 3rd Ave N Saskatoon, SK S7K 2H6 Ph (306) 933-6224 Cell (306) 221-0251 Ron Korinetz, Project Manager Saskatchewan Highways and Transportation, Northern Region 5th Fl. 350 - 3rd Ave N Saskatoon, SK S7K 2H6 Ph (306) 933-6207 Cell (306) 230-8685
Description of Surrounds:	The area is primarily rural agricultural land. The new route includes a by-pass of Maidstone. The topography is flat. There are a few grassland areas over the length of the project.
Additional Information:	In general, the project is being undertaken through a number of smaller contracts for grading and paving. The current contracts are near Delmas moving west and at the Maidstone by-pass moving east.

PROGRAM SIGNAGE

	Yes	No
Program signs installed as per agreement?	X (see note)	

If NO, why not?

Two signs are in place and two additional signs are on order for the Maidstone project.

ENVIRONMENTAL MITIGATION		
	In Place (Y/N)	**Photo No.**
Silt fences are in place where necessary.	yes	
Discussion for mitigation for loss of grasslands is in progress.		

Additional Comments:

Unusually heavy rains in the area have caused some slowdowns in construction this spring.

CONSTRUCTION ACTIVITIES

List construction activities during site visit:

Grading near Delmas for new WBL. Movement of earth from cut and fill and borrow areas with multiple heavy crawlers. Lots of iron. The earthworks is the focus at this stage to construct the sub-grade. Surfacing work will follow in the next contract.

By-pass of Maidstone to the North of town. Major aggregate stockpile established over the winter. Movement of earth from cut and fill and borrow areas with multiple heavy crawlers. The earthworks is the focus at this stage to construct the sub-grade.

General construction schedule for remainder of project:

Grading and surfacing contracts will continue, likely moving from the end of the Maidstone by-pass eastward towards the end of the Delmas job.

Any discrepancies between the proposed project description and what is being built?

No. Twinning is progressing as planned. There was good progress made in 2003.

Additional Comments:

Site photos in addition to those below can be found on the TC drive at:

G:\AH\AHS\AHS NEW\Highways\Saskatchewan\y-Federal Programs\Site Visits\June 2 to 9 2004 - SHIP BIF CSIF\20040610-131400

Highway 16 - Looking west at new WBL east of Delmas

Highway 16 - Early grading of new WBL near Delmas

Highway 16 – Program sign near Delmas project

Highway 16 – Looking west towards Maidstone at new alignment

Highway 16 – Stockpile and contractor's equipment for Maidstone contract

APPENDIX F
Audit Report

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To: The Minister of the Department of Highways and Transportation

At the request of the Department of Highways and Transportation I have audited the schedule of detailed expenditures under the Canada-Saskatchewan Agreement on the Twinning of Highways 1 & 16 Project (as defined in Schedule D of the agreement) for the year ended March 31, 2005. This schedule is the responsibility of the management of the Department of Highways and Transportation. My responsibility is to express an opinion on this schedule based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In my opinion, this schedule presents fairly, in all material respects, the detailed expenditures under the Canada-Saskatchewan Agreement on the Twinning of Highways 1 & 16 Project for the year ended March 31, 2005 in accordance with the provisions of Schedule D of that agreement.

Regina, Saskatchewan
June 18, 2005

Fred Wendel, CMA, CA
Provincial Auditor

CANADA- SASKATCHEWAN AGREEMENT ON THE TWINNING OF HIGHWAYS 1 16 PROJECT
SCHEDULE OF DETAILED EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2005

Project Number	Project	Revised Contract Amount	Claim 1 Expenses (100%) Mar 5/03-Mar 31/04	Claim 2 Expenses (100%) Apr 1/04-Aug 31/04	Claim 3 Expenses (100%) Sept 1/04-Oct 31/04	Claim 4 Expenses (100%) Nov 1/04-Nov 30/04	Claim 5 Expenses (100%) Dec 1/04-Dec 31/04	Claim 6 Expenses (100%) Jan 1/05-Jan 31/05	Claim 7 Expenses (100%) Feb 1/05-Feb 28/05	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
	1.1 Highway 1 east: general engineering surveying, environmental screening and design											
0215615								67 504	111 281	278 688	139 344	
0315111			69 513					25 230	45 988	180 414	90 207	
0315115			1 873	63 797	25 760		11 756			103 186		
0421211								16 153		843 834	421 862	
510619			764 136	42 965	16 126	15 902						
		$ 2 1/4 800	837 522	106 762	42 886	15 902	11 756	97 276	157 269	1 302 934	651 453	$ 821 894
	1.2 Grading: 5 km west of Lewvan to 5 5 km west of Broadview											
0215611			1 626 287	589 307	72 580	115 889				2 273 871	1 136 914	
0315611			1 580 366	493 037	170 231	16 233	27 565	52 845		2 702 257	1 351 128	
		5 428 800	3 206 653	1 082 376	132 917	131 732	27 565	52 845		4 976 184	2 488 042	452 576
	1 3 Paving: East of Whitewater to 3 km west of Whitewater											
0215612			2 506 629	2 160 169	462 956	1 09 563	24 816	10 808		5 270 202	2 697 602	
0315612			290 107	1 744 185	4 237 950	8 522	293 467		337	6 574 609	3 187 303	
0419222								1 961		1 961	1 961	
0515212		22 580 800	2 796 736	3 904 354	4 700 906	198 085	318 283	64 375	337	11 687 776	5 843 888	10 965 124
	1 4 Broadview Railway Overpass											
0215621			59 997				11 612			71 597	35 783	
0315614				397 505	1 051 345	414 762	120 115	64 125	13 671	2 023 927	1 011 963	
0415604									1 261 258	1 261 258	630 629	
		5 831 400	59 997	397 505	1 051 345	414 762	131 725	64 125	1 274 929	3 356 782	1 678 375	3 474 618
	2 1 Highway 16 general engineering, surveying, environmental screening and design											
0215715			1 668	8 505	533	1 971	2 680			15 284	7 647	
0315715			57 850		12 140	8 367				77 357	38 682	
0315815			56 736	8 643	352	4 975		385		69 553	34 777	
0315825			80 940	16 470						97 369	46 684	
		207 600	197 168	33 618	13 444	14 333	2 680	385		259 563	129 772	21 951
	2 2 Grading and Paving: end of the four lane to 3 km west of Cleanbrook											
0215715			66 150							66 150	33 075	
0215811			1 386 329	301 458	73 724	5 379		210 239	25 417	2 726 301	862 651	
0315812			652 177	106 109	691 153	527 349	26 912	7 427	14 152	2 265 639	1 144 363	
		6 071 300	1 803 253	407 567	1 621 276	532 728	26 912	276 515	42 129	4 861 380	2 030 595	2 010 510
	2 3 Grading and Paving: Maidstone Bypass											
0215711			733 163	298 583	239 594	61 445	21 452			1 353 237	682 412	
0315712			6 118							6 118	3 059	
0315726			662 863							683 863	441 927	
0315811				6 456	69 361	9 000	32 400		20 510	167 760	83 880	
0315815			30 713					5 484		46 197	23 099	
0415612		4 261 600	1 532 857	305 039	308 955	70 445	53 852	5 484	20 510	2 408 152	1 204 377	1 592 441
	PROGRAM TOTAL	$ 47 488 600	$ 10 950 164	$ 8 177 501	$ 7 082 453	$ 1 328 987	$ 563 621	$ 459 130	$ 1 552 744	$ 30 123 600	$ 14 061 800	$ 19 368 800

(See accompanying Notes)

Canada-Saskatchewan Agreement on the Twinning of Highways 1& 16 Project

Notes to the Schedule

March 31, 2005

1. Description of the Agreement

The purpose of the Canada - Saskatchewan Strategic Infrastructure Fund agreement between the Department of Highways and Transportation, Transport Canada and Infrastructure Canada is to jointly finance capital investments, highway construction, restoration and improvement work to accelerate the completion of twinning of Highways 1 (Trans-Canada) and 16 (Yellowhead) situated in Saskatchewan.

2. Summary of Accounting Policies

Expenditures

Expenditures are recorded as they are submitted to Transport Canada for payment.